

Introduction to the Report

Commercial airline service is very important to Idaho's economy. Not only do businesses located in the State rely on the commercial airline industry to support day-to-day activities, but Idaho's tourist industry is heavily reliant on commercial airline service. There is no national standard for what constitutes good or even acceptable airline service; such standards vary considerably by community. However, convenient access to the national air transportation system is a top priority for many businesses and tourists across the U.S. It is important that Idaho's major population, business, and tourism centers have commercial airline service to meet their needs.

All areas in Idaho have some inherent need or demand for commercial airline service. The volume of this demand is determined by factors such as population, employment, income, and tourism. Where each community's demand for commercial airline service is actually served is a more complex equation. In the deregulated airline environment, it is not uncommon to find travelers who leave the market area of their local commercial service airport to drive two to three hours to a more distant, larger competing airport. The airport that travelers choose for their commercial airline trips is influenced by a myriad of factors. With the help of the Internet, which is rapidly becoming the number one method for airline ticket purchases, travelers can compare fares, airlines, and schedules among several competing airports.

With airline deregulation, some travelers from smaller commercial airport markets around the U.S. have abandoned air travel from their local airport in favor of beginning their trips from larger, more distant airports. This pattern is especially applicable to leisure or vacation travelers who are more price-sensitive than they are time-sensitive. Business travelers, on the other hand, are more time-sensitive. Business travelers are often more willing to pay higher fares if it results in significant time savings.

Over the past few years, Idaho's scheduled commercial airline service has experienced change. While the level of airline service at Boise Air Terminal has increased and fares have generally declined, commercial airline service to other cities in Idaho has not mirrored the service improvements that have occurred at Boise. In fact, several of Idaho's commercial service markets have witnessed declines in their levels of airline service, particularly as they relate to the total number of departing seats and daily flight frequencies.

While demand for commercial airline service in Idaho markets has remained strong, the ability of the State's smaller commercial service airports to capture the demand associated with these market areas has declined. Due to lower fares, larger aircraft, and more regular flight frequencies, passengers from Idaho's smaller markets are increasingly driving to competing airports to begin commercial airline trips.

This Air Passenger Demand Study for the Idaho Transportation Department provides information that is useful to both the Department and the State's individual commercial air service markets.

The results of this study can be used by individual communities to determine their ability to sustain current service levels and to identify any potential for commercial air service improvements.

Overview of the Study

In Chapter 1, *System Diagnostics*, a discussion of the current status of commercial air service in Idaho is presented. In this chapter, a number of data items are presented that prepare the foundation for the study's technical work elements. The data elements discussed in this chapter are the result of several survey efforts that were completed for the study. These efforts include a survey of the State's travel agents, a passenger intercept survey, and parking lot inventories at each airport. Additionally, several data sets were obtained pertaining to the demographics and socioeconomic characteristics of the State. Commercial air service histories for individual airports are also documented in this chapter. The methodologies and results of these surveys are presented in Chapter 1.

In Chapter 2, *Passenger Demand Estimates and Allocation*, the number of passengers using each commercial service airport in the study is calculated. Along with estimates of demand for each airport, passenger attraction and diversion figures (that is, passenger gains from or losses to neighboring airports) are presented. These data allow individual communities to assess the competitiveness of their airport compared to others nearby. The methodology and results of this process are presented in Chapter 2.

Chapter 3, *Market Potential*, continues the discussion begun in Chapter 2. Here, the current service level at each airport is analyzed to determine opportunities for air service expansion or threats to individual airports' commercial service. Service trends at Idaho's airports and an analysis of each airport's theoretical service area versus its actual market area are highlighted in Chapter 3.

In Chapter 4, *Air Service Comparisons*, United States Department of Transportation data for flights originating in Idaho is analyzed, and the top destination markets for each airport are presented. Information presented in Chapter 4 can be very useful for individual commercial service markets as they assess the air service offered at their airports.

Chapter 5, *Summary and Conclusions*, assembles and highlights the findings of the previous four chapters in a brief synopsis.